

## Message Text

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PAGE 01 STATE 242495

62

ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SIG-01 AGR-05 AGRE-00 STR-04

FEA-01 SSO-00 NSCE-00 USIE-00 INRE-00 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 ITC-01

TRSE-00 PRS-01 SP-02 OMB-01 /088 R

DRAFTED BY EB/OT/TA:RMEYER:MH

APPROVED BY EB/OT:WGBARRACLOUGH

STR SLANDE

STR:JSTARKEY

TREAS:WBARREDA

COMM:DGARDNER

AGRIC:GWHITE

EUR/RPE:ECASEY

----- 065128

O R 292348Z SEP 76

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY THE HAGUE IMMEDIATE

INFO AMEMBASSY COPENHAGEN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY LONDON

AMEMBASSY DUBLIN

AMEMBASSY ROME

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E.O. 11652: N/A

TAGS: ETRD, EEC

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PAGE 02 STATE 242495

SUBJECT: POULTRY/COGNAC

REF: EC BRUSSELS 8764

1. THE USG VIEWS THE OCTOBER 8 MEETING OF THE EC POULTRY MANAGEMENT COMMITTEE AS A FINAL TRIGGER FOR A DECISION WHETHER OR NOT TO RECOMMEND TO THE PRESIDENT THAT THE PRICE BREAK ON BRANDY VALUED BETWEEN \$9 AND \$17 BE REDUCED, I.E., THAT THE DUTY BE INCREASED. WITHOUT ACCEPTABLE RESULTS FROM OCTOBER 8 MEETING, A DECISION WILL ALMOST CERTAINLY BE MADE IMMEDIATELY IN FAVOR OF A ROLLBACK OF THE PRICE BREAK.

2. THE U.S. IS SEEKING AT A MINIMUM:

I. COMMISSION TO MODIFY APPROPRIATE EC REGULATION GOVERNING THE APPLICATION OF SUPPLEMENTARY LEVIES OR CHARGES ON POULTRY AND POULTRY PRODUCTS SO THAT CHANGES IN THESE CHARGES ARE EFFECTIVE AT THE TIME OF SHIPMENT RATHER THAN AT TIME OF ARRIVAL AT THE EC BORDER.

II. COMMISSION TO REVISE THE COEFFICIENTS USED TO DERIVE GATE PRICES FOR CERTAIN TURKEY PARTS:

PRODUCT	REVISED COEFFICIENT	CURRENT COEFFICIENT
(A) TURKEY DRUMSTICKS	0.60	0.90
(B) TURKEY THIGHS	0.90	1.55
(C) TURKEY BREASTS	1.55	1.65

III.

BEST EFFORTS COMMITMENT BY THE DUTCH AND FRENCH GOVERNMENTS TO ENSURE THAT THE LEVEL OF SUPPLEMENTAL CHARGES ON TURKEY AND TURKEY PARTS ARE NOT INCREASED ABOVE THE LEVELS IN EFFECT ON MAY 1, 1976, OR THE LEVEL WHICH WOULD HAVE RESULTED FROM APPLICATION ON LIMITED OFFICIAL USE

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PAGE 03 STATE 242495

THAT DATE OF THE ABOVE COEFFICIENTS, WHICHEVER IS LOWER, PENDING DEFINITIVE AND EARLY RESOLUTION OF THE POULTRY PROBLEM IN THE MTN. THIS DOES NOT PRECLUDE CHANGES WHICH RESULT FROM THE AUTOMATIC OPERATION OF THE VARIABLE LEVY SYSTEM. THIS ASSUMES THAT ANY DECREASES IN SUCH CHARGES WHICH WOULD RESULT FROM THE NORMAL OPERATION OF THE SYSTEM IF U.S. DELIVERED PRICES FOR THESE PRODUCTS RISE WILL BE DULY PROVIDED.

IV.

COMMITMENT FROM THE FRENCH GOVERNMENT TO EARLY TECHNICAL DISCUSSIONS ON HEALTH REGULATIONS GOVERNING POULTRY IMPORTS WITH A VIEW TOWARD POSSIBLE LIBERALIZATION OF THESE REGULATIONS.

3. IN FORMULATING THESE REQUESTS, THE USG TOOK INTO ACCOUNT THE EC'S STRONG FEELINGS AGAINST UNDERTAKING FUNDAMENTAL CHANGES IN THE CAP. OUR REQUESTS ARE CONSISTENT WITH CURRENT CAP PRACTICES, AND SPECIFICALLY WITH THE POULTRY CAP. IT MAKES COMMERCIAL SENSE THAT EXPORTS, ONCE PLACED ABOARD SHIPS, NOT BE SUBJECT TO CHANGES IN PROTECTION. THE PROBLEM RE COEFFICIENTS ON TURKEY PARTS HAS ARISEN BECAUSE THE CURRENT COEFFICIENTS GREATLY EXCEED MARKET VALUE RELATIONSHIPS BETWEEN WHOLE TURKEYS AND PARTS IN THE U.S., THE WORLD'S LARGEST AND MOST EFFICIENT PRODUCER. THUS THEY RESULT IN UNREALISTICALLY HIGH MAXIMUM ALLOWABLE LEVELS FOR SUPPLEMENTARY LEVIES. OUR OBJECTIVE IS TO OBTAIN COEFFICIENTS WHICH ARE SUPPORTABLE BY MARKET VALUE RELATIONSHIPS.

4. OUR REQUESTS FOR REDUCTION OF THE COEFFICIENTS ON TURKEY PARTS AND FOR APPLICATION OF LEVIES ON DATE OF SHIPMENT HAVE BEEN BEFORE THE COMMISSION SINCE FEBRUARY 1975. WE UNDERSTAND THAT THE COMMISSION IS STUDYING THESE REQUESTS AS A RESULT OF THE SEPTEMBER 7 MEETING OF THE POULTRY MANAGEMENT COMMITTEE (REFTEL). (FYI. ACCORDING TO MILES COERPER, SPOKESMAN FOR THE COGNAC EXPORTERS AT THE SEPTEMBER 22 TPSC HEARING ON POULTRY/COGNAC, THE MANAGEMENT COMMITTEE WILL EXAMINE LIMITED OFFICIAL USE

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PAGE 04 STATE 242495

THE COMMISSION'S RECOMMENDATIONS RE COEFFICIENTS AT THE OCTOBER MEETING. MR. COERPER DID NOT KNOW WHETHER DATE OF APPLICATION WOULD ALSO BE EXAMINED. END FYI).

5. STR DENT HAS CALLED IN EC HEAD OF DELEGATION, FERNAND SPAAK, TODAY TO DESCRIBE OUR REQUESTS AND TO URGE THAT COMMISSION MEET OUR REQUESTS REGARDING DATE OF APPLICATION AND COEFFICIENTS. SPAAK WAS GIVEN COPY OF ITEMS 1 AND 2 IN PARA 2 OF THIS CABLE. DENT EMPHASIZED THAT NO SOLUTION IS POSSIBLE WITHOUT THE LEADERSHIP OF THE COMMISSION AND THE COOPERATION OF THE FRENCH AND DUTCH GOVERNMENTS. HE URGED THAT PROGRESS ON THIS ISSUE UNDERWAY SINCE AUGUST NOT BE STYMIED NOW THAT AGREEMENT IS WITHIN REACH.

6. ACTION REQUESTED: EC BRUSSELS: AMBASSADOR REQUESTED TO CONVEY TO THE COMMISSION, ON URGENT BASIS, THE IMPORTANCE OF RESOLVING THIS ISSUE BY THE OCTOBER 8 MEETING.

7. ACTION REQUESTED: THE HAGUE: POSITION OF GON WILL BE CRITICAL IN ANY EC DECISION TO MAKE THE CHANGES WE ARE REQUESTING. DURING CALLS BY MINAG, DUTCH INDICATED WILLINGNESS TO BE HELPFUL IN POULTRY MANAGEMENT COMMITTEE IN RETURN FOR ROLLBACK CONCESSION ON POTATO STARCH. (MEMCON BEING POUCHED TO EMBASSY). EMBASSY SHOULD CONVEY TO GON CHANGES WE SEEK AND THE CRITICAL IMPORTANCE OF AN ACCEPTABLE RESPONSE BY OCTOBER 8. EMBASSY SHOULD INFORM GON THAT BASED ON ACCEPTABLE RESPONSE BY OCTOBER 8 INCLUDING GON COMMITMENT TO BEST EFFORTS, USG WILL TAKE STEPS TO SUSPEND RETALIATION IN POTATO STARCH. STR IS MAKING PARALLEL APPROACH TO THE DUTCH EMBASSY. EMBASSY WILL BE KEPT INFORMED OF DEVELOPMENTS.

8. ACTION REQUESTED: PARIS: EMBASSY REQUESTED TO APPROACH GOF AT HIGH LEVEL TO URGE RAPID POLITICAL DECISION TO SUPPORT U.S. REQUESTS AND TO WORK FOR SETTLEMENT WITH THE OTHER MEMBER STATES AND WITH THE COMMISSION BOTH BEFORE AND AT THE OCTOBER 8 MEETING.

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PAGE 05 STATE 242495

FRENCH SHOULD BE ASKED TO CONFIRM THEIR WILLINGNESS TO ENTER INTO BEST EFFORT COMMITMENTS AS DESCRIBED IN POINT 3 OF PARA 2. THE U.S. ACCEPTS OFFER TO ENTER INTO EARLY DISCUSSION ON HEALTH REGULATIONS GOVERNING POULTRY IMPORTS WITH A VIEW TOWARD POSSIBLE LIBERALIZATION OF THESE REGULATIONS. ROBINSON

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PAGE 01 STATE 242495

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ORIGIN EB-07

INFO OCT-01 IO-13 ISO-00 /021 R

66011

DRAFTED BY:EB:OT/TA:RAMEYER

APPROVED BY:EB:OT/TA:DJDUNFORD

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R 051400Z OCT 76

FM SECSTATE WASHDC

TO USDEL MTN GENEVA

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FOLLOWING REPEAT STATE 242495 SENT ACTION TO BRUSSELS PARIS  
THE HAGUE INFO COPENHAGE BONN BRUSSELS LUXEMBOURG LONDON  
DUBLIN ROME SEPT 29, 1976 FROM SECSTATE

QUOTE LIMITED OFFICIAL USE STATE 242495

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: POULTRY/COGNAC

REF: EC BRUSSELS 8764

1. THE USG VIEWS THE OCTOBER 8 MEETING OF THE EC POULTRY  
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PRICE BREAK ON BRANDY VALUED BETWEEN \$9 AND \$17 BE  
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REVISED CURRENT

PRODUCT	COEFFICIENT	COEFFICIENT
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TION OF THESE REGULATIONS. ROBINSON UNQUOTE  
KISSINGER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CUSTOMS DUTIES, POULTRY, COMMITTEE MEETINGS, ALCOHOLIC BEVERAGES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Errors:** N/A  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Reference:** 76 EC BRUSSELS 8764  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 APR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01 APR 2004 by BoyleJA>; APPROVED <13 AUG 2004 by ElyME>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POULTRY/COGNAC  
**TAGS:** ETRD, EEC  
**To:** EC BRUSSELS PARIS THE HAGUE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006